

Earned Income Tax Credit Filers Reflect High Poverty ZIP Codes for Female Headed Families

Nearly one half of tax filers in two Baltimore City ZIP Codes received an earned income tax credit (EITC) on their tax returns compared to about 1 in 7 filers for the State as a whole. Over half of the female headed families with children under 18 in these ZIP Codes are below poverty.

Seven of the top 10 ZIP Codes with the highest concentrations of filers receiving the credit contained female headed families with children where between four out of ten, and up to seven out of ten, of these families were below poverty. More than half of all of the families with children in nine of these ZIP Codes are headed by females. (See Table 1.)

Table 1. Poverty status for female headed families with related children for ZIP Codes with largest percentage of tax returns claiming EITC

ZIP Name	County	ZIP Code	Total Families w/ Rel.Children	Pct Families w/Rel. Children Headed by Females	Pct Female Headed Families w/ Rel. Children Below Pov
E. Baltimore	Baci	21205	2,191	69.4	51.9
Franklin	Baci	21223	2,880	64.7	51.6
Druid	Baci	21217	4,477	69.6	46.7
Clifton	Baci	21213	3,472	67.4	35.0
Fishing Creek	Dorc	21634	30	0.0	n/a
N. West Baltimore	Baci	21216	2,213	66.8	41.1
Brooklyn *	Baco/Baci	21225	5,027	52.5	51.1
Arlington	Baci	21215	7,291	60.1	41.6
Baltimore	Baci	21229	5,492	56.2	29.0
Crisfield	Some	21817	626	51.6	71.2
Maryland			724,207	27.7	24.9

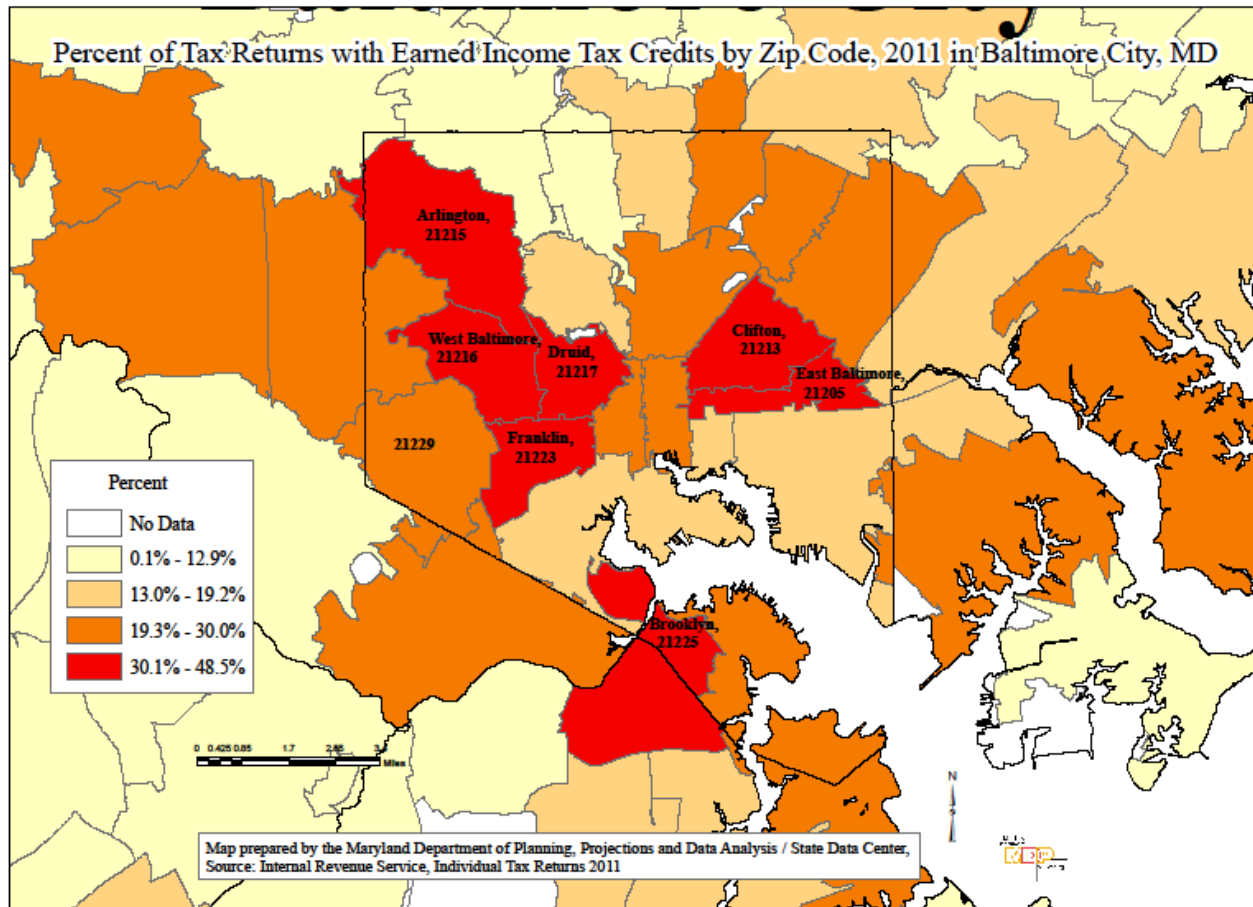
Recently released Internal Revenue Service 2011 tax return data for Maryland ZIP Codes show the highest concentration of tax filers claiming an EITC are in Baltimore City and on the Eastern Shore.

The EITC, a tax credit for low to moderate income workers, reduces the amount of taxes owed and may provide a refund to filers thus providing an incentive to workers while also reducing poverty. The EITC is considered one of the most effective means of reducing poverty since the credit is based on earnings and family size, with higher credits going to families with children. Low income workers without children are eligible for a smaller credit.

Of the top 10 ZIP Codes with the highest percentage of filers claiming the tax credit, eight are partly or entirely in Baltimore City: East Baltimore (21205), Franklin (21223), Druid (21217), Clifton (21213), Northwest Baltimore (21216), Brooklyn (21225), Arlington (21215) and Southwest Baltimore (21229). The remaining two Zip Codes are Fishing Creek (21634) in Dorchester County and Crisfield (21817) in Somerset County. *(See Table 2.)*

Table 2. Top ten ZIP Codes with largest percentage of tax returns claiming EITC

ZIP Name	County	ZIP Code	Total Returns	Pct Returns w/ EITC	Average EITC Amt.
E. Baltimore	Baci	21205	5,907	48.5	\$2,703
Franklin	Baci	21223	9,197	48.2	\$2,585
Druid	Baci	21217	14,042	42.8	\$2,555
Clifton	Baci	21213	13,429	42.5	\$2,513
Fishing Creek	Dorc	21634	325	41.5	\$1,770
N. West Baltimore	Baci	21216	12,593	40.3	\$2,467
Brooklyn *	Baco/Baci	21225	13,800	33.5	\$2,519
Arlington	Baci	21215	24,509	33.4	\$2,359
Baltimore	Baci	21229	21,624	30.0	\$2,327
Crisfield	Some	21817	2,089	29.5	\$2,339
Maryland			2,837,882	14.9	\$2,150



ZIP Codes receiving highest amounts for EITC

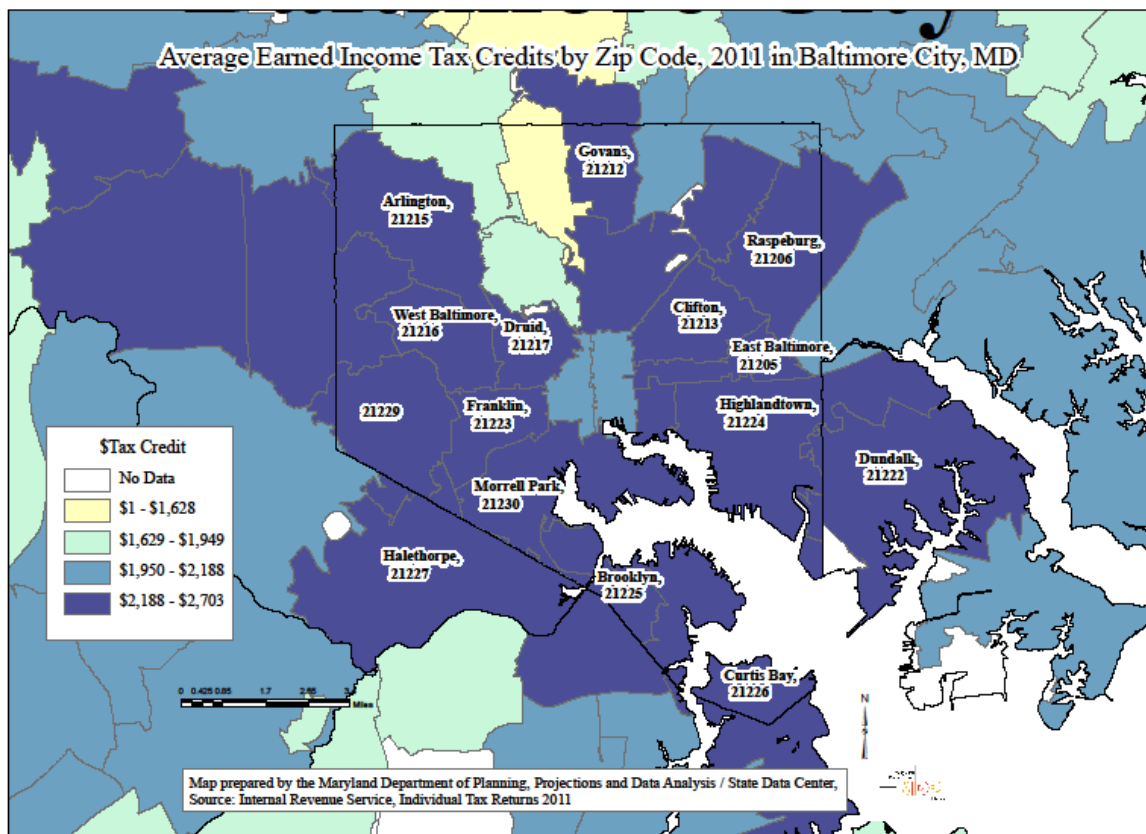
The top 10 ZIP Codes in Maryland receiving the highest average tax credit are located in Baltimore City, Baltimore County, Harford County and three counties on the Eastern Shore (Worcester, Dorchester and Caroline). Average tax credits per tax return for these ZIP Codes range from a high of \$2,703 in East Baltimore (21205) to a low of \$2,460 received in Federalsburg (21632) in Caroline County. The average amount of EITC in 2011 for all of Maryland was \$2,150.

Of the remaining eight ZIP Codes in the top 10, four are entirely within Baltimore City: Franklin (21223), Druid (21217), Clifton (21213) and Northwest Baltimore (21216), while one ZIP Code, Brooklyn (21225) is partly in Baltimore City and partly in Baltimore County.

The final three ZIP Codes of the top 10 are located in Harford County and on the Eastern Shore: Aberdeen Proving Ground (21005) in Harford County, Girdletree (21829) in Worcester County, and Linkwood (21835) in Dorchester County. (See Table 3.)

Table 3. Top ten ZIP Codes with largest average tax credit of tax returns claiming EITC

ZIP Name	County	ZIP Code	Total Returns	Pct Returns w/ EITC	Average EITC Amt.
East Baltimore	Baci	21205	2,865	48.5	\$2,703
Franklin	Baci	21223	4,429	48.2	\$2,585
Druid	Baci	21217	6,015	42.8	\$2,555
Brooklyn	Baco/Baci	21225	4,624	33.5	\$2,519
Clifton	Baci	21213	5,709	42.5	\$2,513
Aberdeen Proving Ground	Harf	21005	155	23.2	\$2,510
Girdletree	Worc	21829	54	21.5	\$2,481
Northwest Baltimore	Baci	21216	5,074	40.3	\$2,467
Linkwood	Dorc	21835	54	25.5	\$2,463
Federalsburg	Caro	21632	830	29.0	\$2,460
Maryland			2,837,882	14.9	\$2,150



Source: US Census Bureau 2008-2012 ACS; Internal Revenue Service, Statistics of Income, 2011

Notes on the IRS Data:

The 2011 IRS tax return statistics by ZIP Code do not provide a county designation for ZIP Codes. For those ZIP Codes that cross county lines, such as Brooklyn (21225) the data are attributed to both Baltimore City and Baltimore County.

The data exclude tax returns that were filed without a ZIP Code and returns with ZIP Codes that did not match the State code shown on the return.

Other disclosure procedures were taken to avoid disclosing information about specific taxpayers such as:

ZIP Codes with less than 100 returns and those identified as a single building or nonresidential ZIP Code were categorized as “other” (99999);

Tax returns that fell into Adjusted Gross Income (AGI) categories with less than 20 returns were combined with another AGI class within the same ZIP Code;

Tax returns with a negative AGI were excluded;

Tax returns representing a certain percentage of a total were excluded. For example, if one return represented 75 percent of the value of a given cell the return was suppressed from the tabulation.